

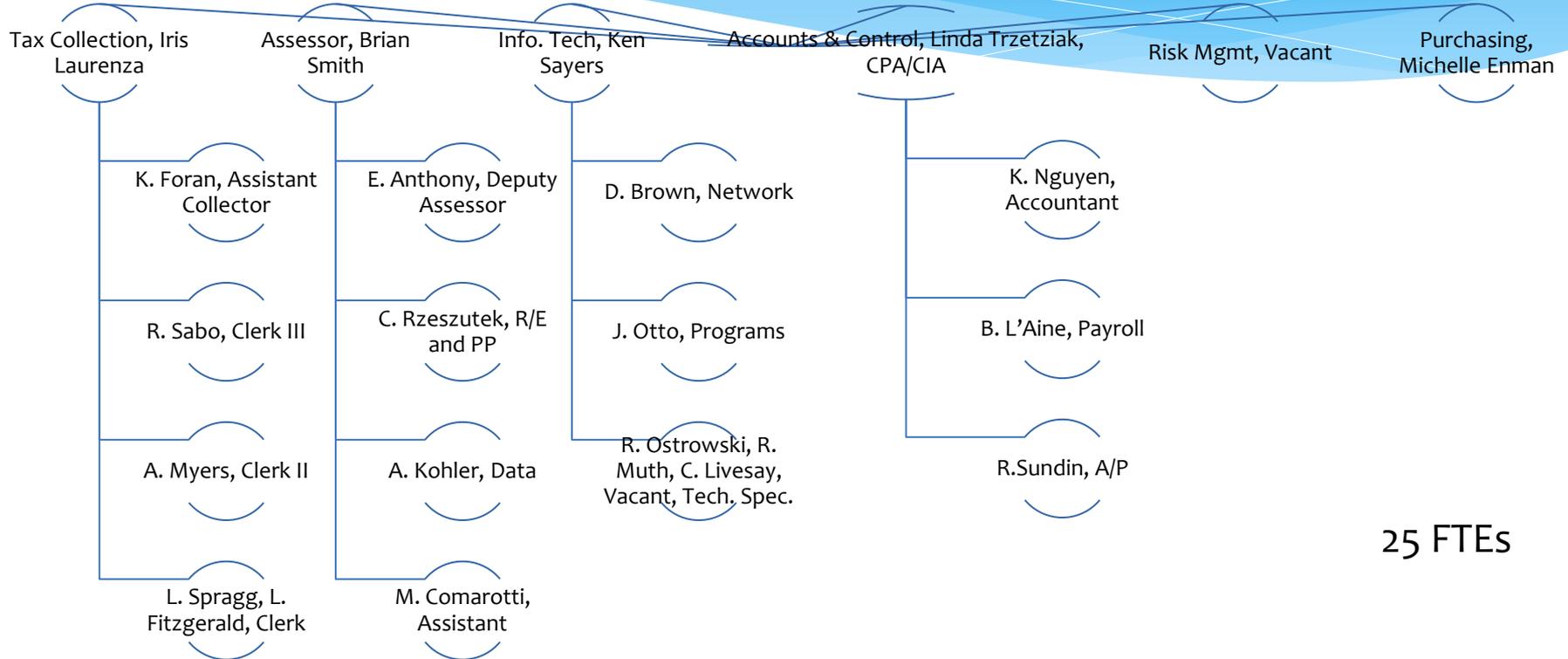


Town of East Hartford
Finance Department 2016 – 17
Mayor's Recommended Budget



Organizational Chart

Finance Director Mike Walsh



25 FTEs



Finance Department Goals and Objectives

Accounts and Control “Core” Functions

The delivery of efficient and effective financial services including:

- Financial Statements, Budgeting, Auditing, Cash handling
- Reserve Funds, Pension and OPEB Trust Operation
- Contract Proforma, Negotiations, Medical Plan Design
- Bonding, Leasing, Regulatory Compliance, Debt Service Mgmt.
- Pension census/payments, investments, Payroll and A/P



Finance Department Goals and Objectives

Tax Department “Core” Functions

The timely collection of revenues including:

- Interfaces with the grand list to issue tax bills - \$125M annually
- Issues Alias tax warrants, Tax lien sales, MV clearance
- Monitors Foreclosures, Bankruptcies, UCC liens, Fire liens
- Will administer two separate mill rates in FY 17
- Parking tickets and appeals



Finance Department Goals and Objectives

Assessor's Office "Core" Functions

Grand list valuation and individual parcel reporting including:

- Valuation of the \$3 billion grand list every October 1
- Revaluation – every 5 years (physical every other cycle)
- Goal is to maintain a fair and equitable grand list
- BAA and Court Challenges
- Administers various State and Local exemption programs
- Personal Property audits



Finance Department Goals and Objectives

Risk Manager “Core” Functions

Manage financial exposures via self-funding or insurance policy while promoting a safe workplace for employees including:

- Administrator of the Town Worker’s Compensation Program
- Placement of all insurances/monitors all risks/manages claims
 - Auto, property, School Leaders, Law Enforcement
- Medical Plan design – current and retiree policies
- Wellness programs/Chair of 6 Safety Committees/OSHA Liaison
- Vendor insurance certificates/Driver history reporting



Finance Department Goals and Objectives Information Technology “Core” Functions

Support town-wide technology needs including:

- LAN/WAN/Fiber, switches, ISP, routers, hardware, software
- Data storage, Police & Fire Captain, Collect, security backbone
- E-mail, voicemail, cell and hard wired phones, Town website
- MUNIS, Novatime, QDS, CAMA, CAD, Medical dispatch and billing
- Fleet, GIS, records scanning, anti-phishing, virus protection
- Regular rotation of hardware and software upgrades/backups



Finance Department Goals and Objectives

Purchasing “Core” Functions

Procure for all departments according to town ordinances including:

- Procurement, ordinance & regulatory compliance, MUNIS
- Wage and Hour/Prevailing Wage contract compliance
- Corporate resolutions and registrations/Insurances and bonds
- Postage needs, copier needs, coordinates with the BOE/Energy
- RFP/RFP preparation, publishing, bid opening, contract award



Recent Tasks Completed

Finance Department

- ACA compliance and reporting
- Clean audit, introduction of a Fraud hotline/website
- Tax Office agreed upon procedure support
- EPC III LED retrofit, rate buy down, 7-year payback
- The update of the Negotiation Proforma
- The placement of three capital leases - \$7 million
- RFP and selection of OPEB Actuary and Bond Advisor
- Pension master plan document
- Pension & OPEB valuations
- Library construction financial compliance



Our Financial Strengths

- Fund Balance is at 8%
- We bond over 10 years and have manageable debt
- We hit our budget targets annually
- We fund the pension based on the Actuary's recommendation
- We have an OPEB Trust
- Our Medical Reserve is appropriately funded
- Our Other Reserve Funds are adequately funded
- Our tax base is diversified

**Debt per Capita
FYE 2014**

1 NEW CANAAN	\$6,314	36 EAST LYME	\$2,759	71 CROMWELL	\$1,865	106 EAST GRANBY	\$1,305	141 DERBY	\$654
2 STRATFORD	\$5,401	37 REDDING	\$2,715	72 NEW LONDON	\$1,836	107 EAST HARTFORD	\$1,299	142 COLEBROOK	\$644
3 WATERFORD	\$4,884	38 BLOOMFIELD	\$2,672	73 KILLINGLY	\$1,812	108 NEW HARTFORD	\$1,294	143 ANSONIA	\$627
4 WESTON	\$4,636	39 WATERTOWN	\$2,644	74 WOLCOTT	\$1,802	109 HARWINTON	\$1,254	144 ROCKY HILL	\$595
5 LYME	\$4,571	40 NEWTOWN	\$2,636	75 MADISON	\$1,800	110 HADDAM	\$1,236	145 WOODSTOCK	\$568
6 NEW HAVEN	\$4,420	41 BOLTON	\$2,593	76 DANBURY	\$1,798	111 WINDSOR LOCKS	\$1,203	146 BROOKLYN	\$560
7 WESTPORT	\$4,413	42 WEST HAVEN	\$2,572	77 MIDDLEBURY	\$1,769	112 SUFFIELD	\$1,198	147 WOODBURY	\$557
8 HARTFORD	\$4,233	43 GLASTONBURY	\$2,538	78 SCOTLAND	\$1,730	113 ANDOVER	\$1,193	148 ENFIELD	\$540
9 WATERBURY	\$4,225	44 TRUMBULL	\$2,491	79 FARMINGTON	\$1,727	114 SOMERS	\$1,174	149 EAST WINDSOR	\$515
10 BRIDGEPORT	\$4,216	45 BETHANY	\$2,487	80 BURLINGTON	\$1,699	115 BRISTOL	\$1,166	150 LEBANON	\$431
11 OLD LYME	\$4,100	46 NORWALK	\$2,487	81 PORTLAND	\$1,684	116 SALISBURY	\$1,134	151 HARTLAND	\$425
12 DARIEN	\$4,007	47 GRANBY	\$2,464	82 AVON	\$1,663	117 THOMPSON	\$1,096	152 WINCHESTER	\$403
13 EASTON	\$3,958	48 BERLIN	\$2,422	83 COVENTRY	\$1,660	118 POMFRET	\$1,067	153 MORRIS	\$360
14 THOMASTON	\$3,800	49 SOUTH WINDSOR	\$2,387	84 GUILFORD	\$1,628	119 CHESTER	\$1,066	154 ROXBURY	\$359
15 RIDGEFIELD	\$3,513	50 STONINGTON	\$2,367	85 SIMSBURY	\$1,610	120 SOUTHURY	\$1,046	155 GOSHEN	\$348
16 UNION	\$3,469	51 NORTH HAVEN	\$2,356	86 CORNWALL	\$1,599	121 NORWICH	\$1,044	156 BRIDGEWATER	\$344
17 MARLBOROUGH	\$3,442	52 STERLING	\$2,303	87 MIDDLEFIELD	\$1,568	122 LEDYARD	\$1,030	157 NEWINGTON	\$322
18 LITCHFIELD	\$3,285	53 SEYMOUR	\$2,285	88 BRANFORD	\$1,545	123 WETHERSFIELD	\$1,021	158 WASHINGTON	\$314
19 WESTBROOK	\$3,281	54 ESSEX	\$2,279	89 KILLINGWORTH	\$1,519	124 COLCHESTER	\$1,005	159 MANSFIELD	\$278
20 FAIRFIELD	\$3,227	55 MONROE	\$2,245	90 KENT	\$1,518	125 DURHAM	\$1,004	160 COLUMBIA	\$276
21 WILTON	\$3,169	56 WEST HARTFORD	\$2,224	91 MIDDLETOWN	\$1,507	126 DEEP RIVER	\$974	161 NORTH STONINGTON	\$171
22 OLD SAYBROOK	\$3,110	57 BROOKFIELD	\$2,196	92 BETHEL	\$1,491	127 ASHFORD	\$947	162 EASTFORD	\$159
23 TOLLAND	\$3,070	58 CHESHIRE	\$2,180	93 GRISWOLD	\$1,490	128 FRANKLIN	\$910	163 CANTERBURY	\$86
24 WOODBRIDGE	\$2,989	59 CLINTON	\$2,095	94 GROTON	\$1,476	129 WINDHAM	\$886	164 BETHLEHEM	\$64
25 ORANGE	\$2,977	60 MONTVILLE	\$2,070	95 VERNON	\$1,458	130 LISBON	\$886	165 CHAPLIN	\$62
26 STAMFORD	\$2,970	61 SOUTHWINGTON	\$2,014	96 SALEM	\$1,410	131 ELLINGTON	\$839	166 PUTNAM	\$0
27 PLAINVILLE	\$2,945	62 WARREN	\$1,989	97 BOZRAH	\$1,390	132 NORTH CANAAN	\$812	167 HAMPTON	\$0
28 SHERMAN	\$2,920	63 EAST HADDAM	\$1,979	98 CANTON	\$1,382	133 BARKHAMSTED	\$795	168 VOLUNTTOWN	\$0
29 SHARON	\$2,904	64 HEBRON	\$1,966	99 MANCHESTER	\$1,362	134 NEW MILFORD	\$781		
30 MILFORD	\$2,903	65 HAMDEN	\$1,938	100 WINDSOR	\$1,355	135 TORRINGTON	\$777		
31 NEW BRITAIN	\$2,889	66 OXFORD	\$1,918	101 PRESTON	\$1,342	136 PLAINFIELD	\$772		
32 NAUGATUCK	\$2,835	67 NEW FAIRFIELD	\$1,913	102 SHELTON	\$1,341	137 WILLINGTON	\$743		
33 NORTH BRANFORD	\$2,812	68 STAFFORD	\$1,891	103 NORFOLK	\$1,335	138 CANAAN	\$714		
34 BEACON FALLS	\$2,781	69 GREENWICH	\$1,884	104 EAST HAVEN	\$1,308	139 WALLINGFORD	\$690		
35 SPRAGUE	\$2,770	70 PROSPECT	\$1,876	105 MERIDEN	\$1,306	140 EAST HAMPTON	\$657		

Average:	\$2,325
Median:	\$1,619

**Current Year Adjusted Tax
Levy per Capita, FYE 2014**

1 WESTPORT	\$6,428	36 BLOOMFIELD	\$3,414	71 HEBRON	\$2,817	106 SOUTHTON	\$2,344	141 BRIDGEPORT	\$1,989
2 WESTON	\$6,105	37 WEST HARTFORD	\$3,384	72 STONINGTON	\$2,782	107 EAST HAMPTON	\$2,344	142 WILLINGTON	\$1,980
3 NEW CANAAN	\$5,972	38 SOUTH WINDSOR	\$3,341	73 NEWINGTON	\$2,781	108 FRANKLIN	\$2,333	143 WOLCOTT	\$1,957
4 WILTON	\$5,868	39 GUILFORD	\$3,329	74 SOUTHURY	\$2,781	109 THOMASTON	\$2,327	144 PRESTON	\$1,924
5 DARIEN	\$5,370	40 BETHANY	\$3,329	75 CROMWELL	\$2,746	110 PROSPECT	\$2,323	145 WOODSTOCK	\$1,906
6 GREENWICH	\$5,248	41 WARREN	\$3,322	76 MARLBOROUGH	\$2,730	111 SCOTLAND	\$2,322	146 MERIDEN	\$1,888
7 EASTON	\$5,055	42 KENT	\$3,321	77 BURLINGTON	\$2,723	112 TORRINGTON	\$2,316	147 NEW HAVEN	\$1,885
8 REDDING	\$4,919	43 NORTH HAVEN	\$3,319	78 OXFORD	\$2,715	113 COLUMBIA	\$2,312	148 STERLING	\$1,873
9 RIDGEFIELD	\$4,615	44 SALISBURY	\$3,287	79 CHESHIRE	\$2,714	114 EAST HARTFORD	\$2,300	149 VOLUNTOWN	\$1,867
10 WOODBRIDGE	\$4,600	45 DURHAM	\$3,278	80 KILLINGWORTH	\$2,698	115 ELLINGTON	\$2,299	150 ENFIELD	\$1,863
11 WASHINGTON	\$4,222	46 FARMINGTON	\$3,260	81 NEW MILFORD	\$2,693	116 CHAPLIN	\$2,299	151 ANSONIA	\$1,853
12 FAIRFIELD	\$4,188	47 MORRIS	\$3,238	82 DEEP RIVER	\$2,686	117 SUFFIELD	\$2,280	152 MONTVILLE	\$1,843
13 ROXBURY	\$4,162	48 BROOKFIELD	\$3,236	83 PORTLAND	\$2,646	118 MIDDLETOWN	\$2,257	153 KILLINGLY	\$1,770
14 ORANGE	\$4,133	49 ESSEX	\$3,225	84 TOLLAND	\$2,634	119 HARTLAND	\$2,245	154 SOMERS	\$1,707
15 OLD LYME	\$4,090	50 EAST GRANBY	\$3,207	85 NEW HARTFORD	\$2,632	120 COVENTRY	\$2,240	155 SPRAGUE	\$1,660
16 CORNWALL	\$4,074	51 NORWALK	\$3,195	86 SALEM	\$2,599	121 COLCHESTER	\$2,233	156 LISBON	\$1,648
17 BRIDGEWATER	\$4,036	52 HADDAM	\$3,180	87 WINDSOR LOCKS	\$2,571	122 WATERTOWN	\$2,232	157 CANTERBURY	\$1,641
18 WATERFORD	\$3,920	53 BRANFORD	\$3,168	88 HAMDEN	\$2,565	123 NAUGATUCK	\$2,226	158 NORWICH	\$1,641
19 AVON	\$3,864	54 MILFORD	\$3,137	89 CHESTER	\$2,560	124 LEBANON	\$2,221	159 WEST HAVEN	\$1,610
20 MADISON	\$3,849	55 CANAAN	\$3,058	90 NORTH BRANFORD	\$2,554	125 ASHFORD	\$2,208	160 NEW LONDON	\$1,583
21 GLASTONBURY	\$3,845	56 LITCHFIELD	\$3,047	91 NORTH STONINGTON	\$2,541	126 DANBURY	\$2,178	161 PLAINFIELD	\$1,570
22 NORFOLK	\$3,785	57 MIDDLEFIELD	\$3,032	92 EAST LYME	\$2,493	127 WINCHESTER	\$2,163	162 GRISWOLD	\$1,528
23 TRUMBULL	\$3,782	58 BOLTON	\$3,013	93 HARWINTON	\$2,493	128 BOZRAH	\$2,162	163 BROOKLYN	\$1,503
24 OLD SHAYBROOK	\$3,701	59 BERLIN	\$3,008	94 BEACON FALLS	\$2,475	129 VERNON	\$2,138	164 NEW BRITAIN	\$1,485
25 SHARON	\$3,654	60 BETHEL	\$3,000	95 WALLINGFORD	\$2,466	130 STAFFORD	\$2,126	165 THOMPSON	\$1,467
26 NEWTOWN	\$3,549	61 WOODBURY	\$2,985	96 BARKHAMSTED	\$2,464	131 BRISTOL	\$2,111	166 WINDHAM	\$1,337
27 MIDDLEBURY	\$3,541	62 STRATFORD	\$2,972	97 NORTH CANAAN	\$2,447	132 EAST HAVEN	\$2,090	167 MANSFIELD	\$1,082
28 LYME	\$3,537	63 NEW FAIRFIELD	\$2,971	98 ANDOVER	\$2,442	133 HAMPTON	\$2,069	168 PUTNAM	\$1,006
29 MONROE	\$3,527	64 CANTON	\$2,958	99 EAST WINDSOR	\$2,439	134 WATERBURY	\$2,063		
30 SHERMAN	\$3,508	65 WETHERSFIELD	\$2,954	100 SEYMOUR	\$2,434	135 LEDYARD	\$2,046		
31 STAMFORD	\$3,488	66 GRANBY	\$2,923	101 SHELTON	\$2,426	136 POMFRET	\$2,046		
32 COLEBROOK	\$3,476	67 CLINTON	\$2,906	102 EAST HADDAM	\$2,407	137 EASTFORD	\$2,041		
33 SIMSBURY	\$3,474	68 ROCKY HILL	\$2,875	103 BETHLEHEM	\$2,374	138 DERBY	\$2,037		
34 WESTBROOK	\$3,443	69 WINDSOR	\$2,853	104 MANCHESTER	\$2,363	139 GROTON	\$1,998		
35 GOSHEN	\$3,423	70 UNION	\$2,831	105 PLAINVILLE	\$2,355	140 HARTFORD	\$1,996		

Average: \$2,708

Median: \$2,633



Our Financial Weaknesses

- Collectively, our wealth indices are below the State average
- We have a \$146 million unfunded pension obligation
- We have a \$160 million unfunded OPEB obligation



The Budget in Brief

Revenues

Grand list growth – R/E and PP	+\$1.5M
Lost revenue MV mill to 32	-\$3.9M
State MVMR Grant – new	+\$3.9M
State MRSA Grant – new	<u>+\$2.0M</u>
Net Revenue Increase	+\$3.6M



The Budget in Brief

Expenditures

Board of Education	+\$1.0M
Pension	+\$910K
Town Contractual Wages	+\$745K
FICA, Sever, CIRMA, Demo, Debt, Cap.	+\$600K
Public Safety OT	+\$300K
MDC	<u>+\$269K</u>
Expenditure Increase	+\$3.8M



The Budget in Brief

Financial Exposures in this Budget

- FY 17 State municipal aid is at risk (until budget adoption)
- FY 18 State municipal aid - \$4.4M old MM&E is at risk
- FY 18 Municipal spending must be less than 2.5%
- Revaluation is next year; will GL growth recur?
- We will exhaust I and P Building fee revenue
- Did we catch all the DMV grand list corrections?

If in your review of this budget you choose to add revenue or decrease expenditures, please carefully consider the following:



Ways to stabilize the mill rate

Good investments to make for future stability

- Pension - amortization methodology +\$3.9M
- Pension - move to a lower discount rate +\$1.2M
- Higher OPEB Trust contributions +\$2.0M

Because FY 18 Municipal spending must be less than 2.5% under the threat of penalty, thoughtful consideration to these items should be made in FY 17